



HEARTWOOD

www.hw3d.com

Secure Training Budgets

WITH A BETTER BUSINESS CASE

Introduction



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HEARTWOOD empowers companies to

Accelerate user learning

Reduce Operation & Maintenance training costs

Decrease expensive live training

By deploying **3D Interactive Training**

Raytheon



Sikorsky

A United Technologies Company



Pratt & Whitney

A United Technologies Company

NORTHROP GRUMMAN



DEFENSE



AGENDA

1. Buying Mindset - WHAT DRIVES ACTION?
2. Quantifying the Problem/Oppty - WHAT'S TODAY?
3. Case Study: AUTOMOTIVE OEM Cost Avoidance/Saving
4. Case Study: ELECTRICAL SAFETY COUNCIL Revenue Oppty
5. Next Steps



“This looks **EXPENSIVE.**”

“We don’t know if we can **AFFORD** it.”



If we were used to **THIS**....



Then this would seem
Unnecessary & Costly

Driving ACTION!



Save \$



Make more \$

Problem

Opportunity



“How much

BUDGET

do we have to solve this
Problem?”

(or pursue this Opportunity)

What if we are solving a

\$5MM problem

with a

\$30K budget!



STEP 1

QUANTIFYING



Problem

Opportunity

...with a **BOTTOM UP** approach

“How is *your* training
conducted

TODAY?”

RESPONSE #1

Practice on **ACTUAL EQUIPMENT**



RESPONSE #1

Practice on **ACTUAL EQUIPMENT**

DISADVANTAGES

NOT effective Starting/Ending Point

Equipment Cost

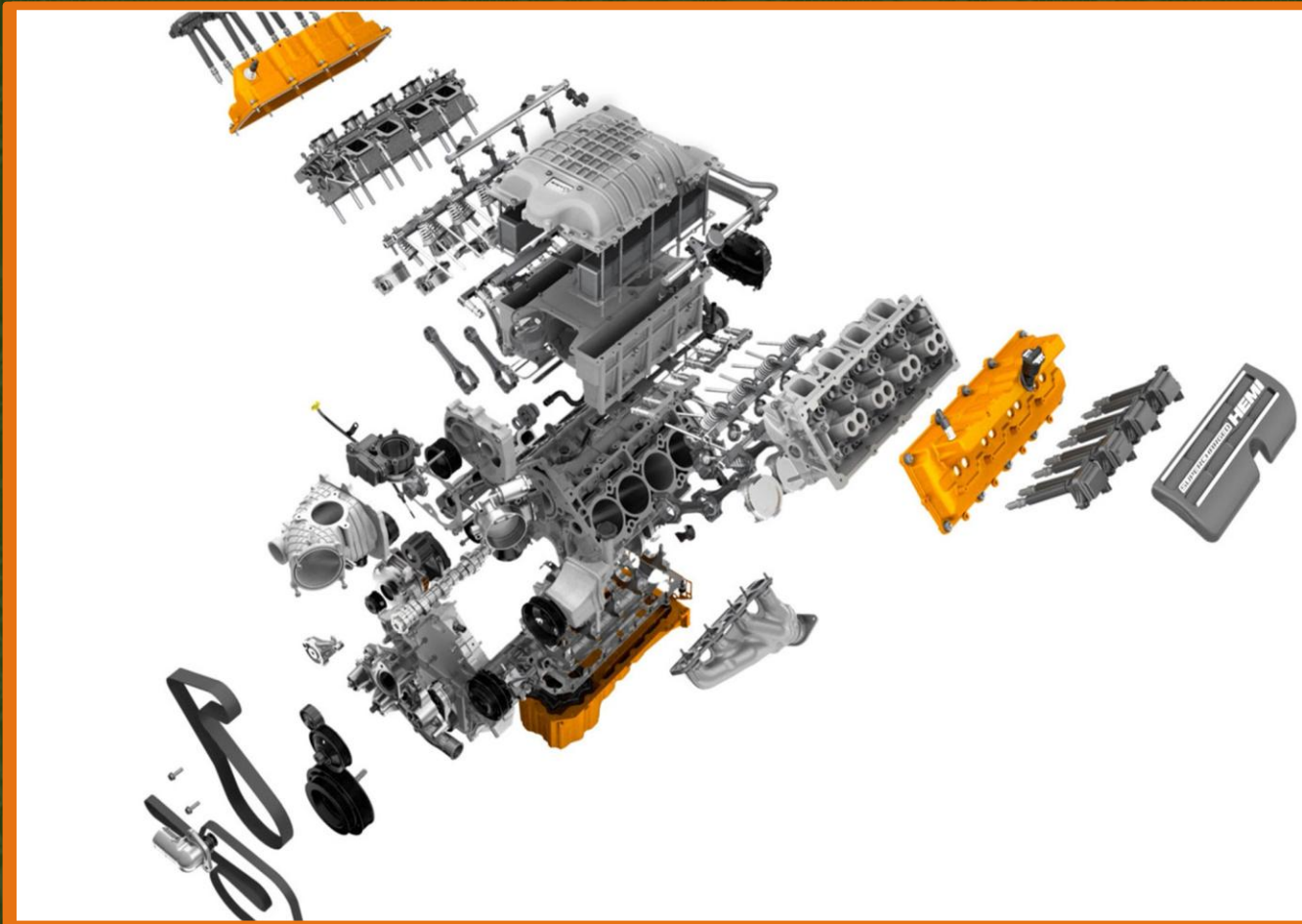
Repair & Maintenance Cost

NOT Portable

NOT Scalable

RESPONSE #2

PPT. STYLE e-learning courses or VIDEO



RESPONSE #2

PPT. STYLE e-learning courses or VIDEO

DISADVANTAGES

NO 'Learning by Doing'

Retention only 50% via Sight/Sound vs 90%

Typically tedious and unengaging

NO practice, NO Training

Default to Response #1 - practicing on equipment

CASE STUDY – AUTOMOTIVE OEM



PROBLEM

New Car Model – New Controls/Dash
8000 Employees – Service Tech, Shop, Sales
No 'physical' cars

CASE STUDY – AUTOMOTIVE OEM

Magnitude of Training Task (in \$)					
Dealership Employee	Per Dealership	Dealerships (USA)	Total Emp.	Training Hrs. (on this task)	Total Training Hrs.
Technicians					
Mandatory Certification	1	320	320	16	5,120
Familiarization only	8	320	2,560	4	10,240
Sales - Consultants & Managers					
Familiarization only	11	320	3,520	4	14,080
Misc - Service Consultants, Managers, and Shop Foremen					
Familiarization only	6	320	1,760	4	7,040
					36,480
Average Blended Burdened Cost/hr					\$78
\$ Magnitude of Training Task					\$2,845,440

CASE STUDY – AUTOMOTIVE OEM

How much budget
do we
~~HAVE LEFT / CAN GET~~
to solve this problem ...



CASE STUDY – AUTOMOTIVE OEM

How much budget

can we **JUSTIFY**

to solve a

\$2.84 MM problem...

CASE STUDY – AUTOMOTIVE OEM

COST AVOIDANCE

W/ VIRTUAL, 3D INTERACTIVE, PORTABLE

Students 'practice' virtually

Less time on actual cars

Students re-fresh at home/own pace

Instructors teach faster

Overall Time Reduction **18-23 %**

CASE STUDY – AUTOMOTIVE OEM

COST SAVINGS!

Overall Time Reduction 18-23 %

Average **\$603K** saving in Yr 1 !

Not accounted – expensive instructor time & equipment cost saving

OEM Budgeted **\$100K** for new training solution,
for this task.

CASE STUDY – SAFETY COUNCIL



OPPORTUNITY

Students download courses via e-platform
New Gen not engaged w/ static e-learning
Lock Out / Tag out – 1 of 40

CASE STUDY – SAFETY COUNCIL

Magnitude of Revenue Opportunity (in \$)				
Safety Council - One Course	Members	Per Course \$	Annual \$	Life Time Value (4.2 yrs)
Online Portal	4,074	\$15	\$61,110	\$256,662
In-Network Affiliates	45,362	\$7	\$317,534	\$1,333,643
Out-of-Network Affiliates	72,750	\$3	\$218,250	\$916,650
			\$596,894	\$2,506,955

CASE STUDY – SAFETY COUNCIL

REVENUE OPPORTUNITY

W/ VIRTUAL, 3D INTERACTIVE, PORTABLE

Students ‘practice’ virtually (unlike e-learning)

Engaging like a Game/App (unlike e-learning)

Visually Stunning

Students re-refresh at own pace

User focus group poll **12-14 %** increase

CASE STUDY – SAFETY COUNCIL

REVENUE OPPORTUNITY

Courses download increase 12-14 %

\$326K top line growth

Over 4.2 yrs – life of the course

Council Budgeted **\$50K** for new training solution,
for this course.

CASE STUDIES – RISK ANALYSIS



AUTOMOTIVE

3.5% Time Reduction

Yr 1

recoup \$100K investment



SAFETY COUNCIL

2% Download Increase

Over life

recoup \$50K investment

CASE STUDIES – UPSIDE



AUTOMOTIVE

\$603K on \$100K

5X Return



SAFETY COUNCIL

\$326K on \$50K

5.5X Return

RECAP

1. Quantify & Measure today – **BOTTOM UP**
2. Estimate:
 - time/equipment/travel saving
 - revenue increase potential
3. Request and justify an appropriate **BUDGET**
4. Our customers - Heavy Equip, Energy, O&G, Aviation, Defense - leveraging Virtual 3D Interactive Training
5. Involve us to help you build an **BUSINESS CASE!**

What's NEXT?

- We'll answer your questions now!
- Email at: solutions@hwd3d.com



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Thanks for joining us for

TODAY'S WEBINAR!